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# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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SSSSSSSSSSSSSSSS

March 10, 1993

CERTIFIED MAIL  
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*Copy*

Robert H. Hagen, Director  
Albuquerque Field Office  
Office of Surface Mining  
Reclamation and Enforcement  
505 Marquette, N.W., Ste 1200  
Albuquerque, New Mexico 87102

Dear Mr. Hagen:

Re: TDN X-93-02-250-001-tv1, Sunnyside Coal Company, Sunnyside Mine, ACT/007/007, Folder #5, Carbon County, Utah

The subject TDN was received on March 1, 1993. The TDN was written for "failure to provide that adequate bond coverage be in effect at all times for permit No. ACT/007/007."

On February 18, 1993, the Division notified Sunnyside Coal Company by certified mail that, based upon appraisals of Sunnyside Coal Company's properties that have been pledged and accepted as collateral reclamation bonds, the Sunnyside Mine is under-collateralized.

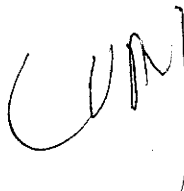
As you are aware, the form of the collateral bond for this mine consists of real property and water rights.

In considering the Sunnyside bond situation, the Division's February 18, 1993 letter makes the following findings:

"the devaluation in the security underlying Sunnyside Coal Mine's Reclamation Bond is most like the incapacity of a bank or surety company or insolvency or suspension or revocation of a charter or licensee, such that a permittee may be deemed to be without adequate bond coverage."

In making the February 18, 1993 finding, the Division served notice of under-collateralization under Utah Admin. R. 645-301-840.520, and required the operator to replace bond coverage within 60 days.

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The Division will supplement the February 18, 1993 letter with a written Findings and Conclusions document requiring Sunnyside Coal Company to replace bond coverage by April 18, 1993.

Failure to respond to the terms of the March 10, 1993, Findings and Conclusions on or before April 18, 1993, will result in the Division ordering Sunnyside Coal Company to cease mining and initiate reclamation.

Sincerely,



Lowell P. Braxton  
Acting Director

kak  
cc: T. Mitchell  
P. Grubaugh Littig  
Joe Fielder, SCC  
Ken Oldham, Esq.  
sntdn931